INFOTAB
MEETING OF THE BOARD OF DIRECTORS
LONDON

March 30, 1981

MINUTES

CHAIRMAN'S OPENING REMARKS

1. The Chairman, Hugh Cullman, opened the meeting at 10:00 a.m. and expressed the Board's thanks to Pat Sheehy and to B.A.T. for making the arrangements for this important meeting. The Chairman inquired about Kit Stewart-Lockhart's recent surgery and, on behalf of the Board, expressed best wishes for a speedy recovery. The Chairman announced his intention to cover the agenda items as quickly as possible while allowing for appropriate discussion, in order to give the Board more time to discuss issues of special concern.

2. The Chairman recommended that Don Hoel act as Secretary to the meeting and that the circulated agenda be adopted. These recommendations were accepted by all members.

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AGENDA ITEM 1--MINUTES OF BERMUDA MEETING, OCTOBER 6-7, 1980

3. Page 10, paragraph 41, first sentence, amended to read:

"After discussion it was determined that further consideration of this item should be deferred until ICOSI becomes fully operational."

4. Page 13, paragraph 54, delete second and third sentences and replace with the following:

"Strong emphasis was given by members of the Board to any effort to prevent adoption of the British 'health tax scheme' by other European governments, and the EEC Task Force was asked to submit an analysis of government attitudes and ICOSI action, if any, in this field. With regard to a response by the industry to the commission's inquiry to look into tar levels of cigarettes in Third World countries, advice was given not to respond to any such queries as they were beyond the authority of the Commission."

5. Page 17, paragraph 70, entire paragraph, amended to read:

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"Mr. Bill Hobbs announced that in light of his retirement from RJR at the end of the year, he would no longer be representing RJR in ICOSI and that he will be replaced on the Board of Directors by Mr. E. G. Vimond, Jr. The Chairman expressed the thanks of the Board of Directors to Bill Hobbs for his dedication and significant contributions in the formation and development of ICOSI."

6. Page 18, paragraph 73, second sentence, amended to read:

"New chairmen of ICOSI working parties were discussed. It was agreed that the chairing company together with the Secretary General would, having consulted with outgoing chairmen of working parties, put forward a recommendation to the Board of Directors for endorsement."

7. With the above amendments, the Minutes were approved.

AGENDA ITEM 2--RECONFIRMATION OF DECISIONS REGARDING SECRETARY GENERAL'S POSITION

8. The Secretary General explained the subject materials as contained in the meeting binder. On motion duly made and seconded, the following resolutions were unanimously adopted:

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RESOLVED, the Board confirms the resignation of Mr. J. Doyle from his duties as Secretary General as of 15th March, 1980, and the cancellation of the powers which were given to him at the Board meeting of 25th April, 1979, published in the appendices to the Moniteur Belge of 27th September, 1979, under No. 10406.

RESOLVED, the Board confirms the nomination of Ms. Mary Covington to the position of Secretary General, as decided at the Board meeting of 7th October, 1980, with effect from 1st December, 1980.

Within the framework of her mandate, Ms. M. Covington will be in charge of day to day administration, with the power of sub-delegation of all or part of her powers.

She will particularly, and without the following being restrictive:

-be responsible for the association as regards the Swiss and Belgian authorities;

-sign receipts for sums received and for registered letters and packages addressed to the association by the post office, customs, railways, air transport companies and other transport companies;

-open, close, carry out and sign all operations of the association's bank and post office checking accounts;

-hire and dismiss staff.

(Appendix I, attached, is the approved announcement submitted to "Moniteur Belge" on January 23, 1981.)

AGENDA ITEM 3--LONG-TERM COMMITMENT OF ALL MEMBER COMPANIES TO INFOTAB

9. The Chairman opened discussion of this item by outlining some of the problems which had been recently encountered in the

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Middle East and West Africa. It was the Chairman's assessment that, in addition to a strengthened Secretariat, the member companies of INFOTAB must encourage, if not require, involvement and support of line managers in smoking-related matters. It was observed that, for the most part, staff rather than line personnel have been involved. Andrew Reid remarked that this matter seemed to be related more to the mechanics of INFOTAB activities than to the member companies' commitment.

10. Mr. Orlow outlined his company's reasons for suggesting this agenda item and asked for a three-year commitment to INFOTAB from the other founding members. Such commitment would include membership in INFOTAB and financial support for its operation and activities.

11. Following discussion, all members of INFOTAB agreed to such a commitment. Further, it was moved and agreed by all members that the three-year commitment mentioned above would be reviewed and voted upon annually.

12. Mr. Wiethüchter observed that his company strongly encouraged the proper development of the Secretary General's office and authority. With such development, his company will renew its commitment each year.

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13. It was agreed that, for the present, the Board would postpone further discussion of the mechanics of dealing with smoking-related issues.

AGENDA ITEM 4--REPORT FROM THE SECRETARY GENERAL

14. The Secretary General, in her verbal report to the Board, highlighted certain matters from her written report in the meeting binder.

15. The Secretary General asked for names of candidates for the position of Regional Coordinator from the member companies. She emphasized that experience within the selected region would be an asset for the person filling this position. If such individuals are not available, the search may have to be extended outside the member companies.

16. The Chairman suggested that names of candidates for Regional Coordinator be submitted by member companies to the Secretariat by mid-April, 1981. All members approved the previously distributed job description and compensation package for the position of Regional Coordinator.

17. With regard to the Deputy Secretary General, the Secretary General referred to the memo she had sent Board Members and

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proposed that a short list of candidates be assembled by the Secretary General and that she, with the advice and assistance of a Screening Committee, would select a candidate. The Screening Committee would comprise a representative from past, present and future chairing companies. Thereafter, the selected candidate would visit each member company for appropriate interview. After discussion of this proposal, it was agreed that member companies would have the opportunity to interview the two most qualified candidates selected by the Screening Committee in order to decide on the final candidate to whom the job would be offered.

18. Mary Covington amended Appendix I of the Secretary General's report to reflect three clerk typists rather than the two clerk typists as shown in the organizational and staffing chart. All members agreed.

19. It was questioned whether or not the Secretary General should serve as a member of a steering group of the Tobacco Committee of the European Association of Advertising Agencies. Following discussion, it was agreed that the Secretary General should serve as a member of this group.

20. In regard to Section 4.5, Financial Statements and Audit 1980 and Auditors' Memorandum, it was moved and agreed by all members that this be approved.

21. Substitute pages for Item 4.6, Financial Budgets and Contributions--1981 were distributed by the Secretariat to replace those pages previously contained in the meeting binder.

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22. It was agreed that, in the future, both the Board and Secretariat Reserves be separated from Secretariat and Program budgets and not be included in the calculations of members' contributions.

23. Following additional discussion, it was moved and agreed to accept the revised 1981 budget as contained in Item 4.6.

24. The Secretariat's recommendations for Item 4.7, Expanding the Membership of INFOTAB, were reviewed. The Secretariat planned to obtain a decision concerning the subject at this meeting and then to work with member companies to draw up lists of potential candidates for membership in various categories. This compilation would be submitted to the Board of Directors for their consideration at the October, 1981 BOD meeting.

25. There followed discussion concerning potential candidates, participating contributions or fees and other possible categories of membership.

26. The Chairman requested the Secretary General to consult with appropriate legal counsel and others to determine appropriate methods to include and involve NMA's. Ms. Covington agreed to amend the paper on this subject and distribute it to the Board of Directors for approval.

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27. It was agreed to delay consideration of membership in INFOTAB by monopolies until a later date.

28. The Secretary General was asked to redraft the INFOTAB charter to allow for NMA and monopoly membership, as "allied" members. It was suggested that the three proposed categories of membership (founder, associate, allied) were appropriate and should be retained.

29. The Secretary General led discussion of Item 4.8, Charter Revisions, Including Disclaimer Amendment. Mr. Ely, on behalf of B.A.T., submitted to the Secretary General suggested modifications in the proposed revisions.

30. Ms. Covington reported that Swiss legal counsel had suggested the charter be kept as concise and simple as reasonably possible. For example, rather than defining the rights and obligations of associate and allied membership, Swiss legal counsel suggested that such detail be contained in the letter of invitation for membership in INFOTAB. It was agreed that, in view of the B.A.T. suggestions and others received during the meeting, the Secretary General would further amend the proposed INFOTAB charter for distribution to and final approval by the Board of Directors. There followed a page by page review and approval of amendments to the charter set forth in

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Column B, which reflects the current funtioning and membership structure of INFOTAB.

AGENDA ITEM 5--INFORMATION SYSTEM

31. Trevor King, who has directed this project from its inception, gave a brief non-technical review of the development and present status of the Information System.

32. Following discussion, it was agreed by all members to proceed with the development of the manual system (Phase I). All members favourably viewed the possibility that the Secretariat should move to the semi-automated system (Phase II) at an agreed appropriate time.

33. It was agreed that the Secretariat should pay one-half of the CMP cost overrun on the information system project ($31,912).

34. The Secretary General reported that NMA's had expressed the desire that INFOTAB provide them with (1) summarized or analyzed information, (2) timely reports and (3) early warning of events or occurrences of special interest.

35. The Secretary General advised the Board that she believes many NMA requests to the Secretariat for information and

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assistance will require summarizing or analyzing materials for transmission to and use by the NMA's. Therefore, the Secretary General will prepare draft guidelines for those matters requiring legal/scientific clearance. Such guidelines are to be distributed to the Corporate Affairs representatives of each of the member companies for approval.

36. In response to a question by Mr. Marcotullio, the Secretary General advised that she would consult with the member companies as to the various existing information systems which may be considered for inclusion in the INFOTAB system. She will report her findings to the member companies.

37. Mary Covington gave special thanks to Trevor King and his Mayfly project and Information System teams for their work. All INFOTAB task forces and working parties were similarly complimented for their productivity and efforts. The Secretary General also gave special thanks to Gwynn Hargrove and Richard Corner for their continuing assistance in the operation of INFOTAB over the past several months.

AGENDA ITEM 6--REPORTS FROM COMMITTEE CHAIRMEN

ITEM 6.1--SAWP

38. Chairman R. Ely presented the highlights of the SAWP report.

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39. It was reported that SAWP wishes to reconsider its role in view of the increasing capabilities of the Secretariat.

40. SAWP wishes to make a study of other industries' advocacy advertising and public relations campaigns with a view to conceptual use by INFOTAB.

41. Social costs/social values. The work to date has been concentrated on social costs. The economic arguments used against the industry are hard to answer in economic terms. Mr. Ely reported that the Social Costs/Social Values project team will seek the assistance of a highly qualified economic writer and a social-political writer to assist in framing the material for responsive use.

42. Mr. Ely reported on some of the practical uses that have been or will soon be made of the study materials. These include the upcoming Wharton conference, the Australian presentations and the Malaysian economic impact model.

43. SAWP intends to re-examine the Social Costs/Social Values project with a view to developing revised strategies and projects.

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44. The Board of Directors had a general discussion on some of the problems and issues facing the industry. It was determined that INFOTAB needs to set priorities for short and medium-term activities. Some members expressed the view that INFOTAB was attempting to deal with too many problems and was probably addressing many on a "non-political" basis.

45. At this point the Chairman interrupted the agenda to allow Mr. G. Hargrove to report on the DCG (Item 6.4).

ITEM 6.4--Developing Countries Group

46. Chairman G. Hargrove summarized his group's report as contained in the meeting binder.

47. The DCG has and will attempt to establish priorities, including in each of these priorities the credibility or public position of the industry. Mr. Hargrove distributed two papers prepared by his group:

(a) "The Tobacco Industry's Public Position in Developing Countries."

(b) "The Threat to the Future of the Tobacco Growing and Manufacturing Industry in Developing Countries."

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48. Mr. Hargrove reported that many of the threats contained in the WHO recommendations are not fully recognized by developing countries.

49. Mr. Hargrove expressed the DCG's opinion that there is a present need for regional coordinators in INFOTAB.

50. Mr. Hargrove expressed the view that INFOTAB and its member companies may have to devote more personnel and resources to INFOTAB activities.

51. The Directors then discussed WHO activities and how these activities can be affected by the views and opinions of its member states.

52. Mr. Reid reported on his company's activities and efforts to develop a more reasonable appearing position on matters of concern within the U.K.

53. Don Hoel reported on industry cooperation and communication which has been established and furthered by the formation and activities of INFOTAB.

54. The Secretary General offered to meet with the INFOTAB task forces to obtain their views on setting priorities. In this

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regard, the Directors were requested to give the Secretary General their thoughts on priorities, issues, etc., that should be addressed by INFOTAB. Following this, the Secretary General will report her recommendations to the Board of Directors.

ITEM 6.1--SAWP (continued)

55. Mr. T. King presented the highlights of the current activities by the Mayfly project team, including those in Australia and New Zealand.

56. Mr. King reported that the Mayfly team had received informal indications from two other NMA's that similar assistance would be useful and appreciated. If such activites are authorized by the Board of Directors, an additional $96,000 would be required for the Mayfly budget.

57. After discussion, it was determined that the additional $96,200 would not be authorized at this time. The Mayfly team was requested to develop and distribute its status report.

58. There was additional discussion concerning the Social Costs/ Social Values program. Mr. Ely announced that the project

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team will re-examine and restructure the program. He will report later to the Board of Directors concerning the project team's recommendations.

59. The SAWP budget, as modified, in the sum of $739,700 was approved.

ITEM 6.2--EC Consumerism Task Force

60. Mr. C. Vogel gave the EC Consumerism Task Force report for its chairman Dieter von Specht.

61. The project concerning "U.K. Tar Tax" was not approved by the Board of Directors at this time. Revised budget of $140,000 was approved by all members.

62. Constituent testing procedures and protocols were then discussed. Members will consider this matter and report back on their company's views to the Secretary General.

ITEM 6.3--DAC

63. Chairman Peter Schuler summarized the highlights of his committee's report as contained in the meeting binder.

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64. The committee has redefined its objectives and strategies. Mr. Schuler explained the new Smoking Issues Status Book and the soon-to-be-distributed advertising documentation and argumentation materials.

65. Additional tools of potential value for use by the DAC include the Scandinavian study and the London University study.

66. Following discussion, the recommended budget of the DAC of $277,000 was approved.

ITEM 6.4--DCG Report (continued)

67. Following discussion, the recommended budget for DCG in the sum of $280,000 was approved.

ITEM 6.5--Fifth World Conference on Smoking and Health Task Force

68. Chairman J. Hartogh reported on the task force's activities and gave highlights from the report as contained in the meeting binder.

69. After full discussion, the recommended budget of $3,000 for miscellaneous expenses was approved, and it was agreed that Jules Hartogh would work with the Secretary General to determine the nature and extent of a task force.

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AGENDA ITEM 7--REPORT FROM PUBLIC POSITION MEETING

70. Ansell Egerton gave a brief report summarizing the materials contained in the meeting binder.

71. Mary Covington pointed out some of the problems and considerations in paragraph 3 of the report.

72. Following discussion, it was determined that the Secretary General would meet with Andrew Reid to discuss Imperial's present efforts in the U.K. on this subject and to determine if further INFOTAB efforts or activities can be developed.

AGENDA ITEM 8--CHAIRING COMPANY HANDOVER

73. The Chairman thanked all members of the Board of Directors for their support and assistance during his year as Chairman of the BOD.

74. The Chairman expressed his firm opinion and full belief in the necessity of a strong Secretariat to insure the future of INFOTAB.

75. The Chairman recommended that future March-April meetings of the Board of Directors be held in Brussels.

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76. The Chairman gave a brief summary of INFOTAB developments during the preceding year and its present situation.

77. The Chairman expressed his confidence in the future of INFOTAB under the able chairmanship of H. Wiethüchter. He said that R. W. Murray and his staff hoped to meet within the next 30 days with Mr. Wiethüchter and Christian Vogel to finalize the turnover of budgets and various projects of INFOTAB.

78. H. Wiethüchter expressed his appreciation to Philip Morris Company for all that it had done during its term as chairing company. He gave recognition to the considerable time, work and effort by Hugh Cullman and Bill Murray. Special appreciation for the contribution of the Secretary General was also noted. Mr. Wiethüchter expressed his feeling of honor in assuming the chairmanship of INFOTAB and hoped that its growth would be secure under his stewardship.

79. Mr. Wiethüchter expressed his personal views that INFOTAB not begin any new projects or authorize new committees or working parties until such time as an appropriate inventory of projects, activities, etc., has been taken. In this regard, he gave special recognition to the good work being accomplished for the DAC by use of consultants.

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80. The new Chairman expressed his hope of increasing the authority of the Secretary General. The organization has grown or is growing to a size that requires the exercise of basic management techniques.

81. Mr. Wiethüchter announced that due to the unfortunate illness of A. Spengler, he would be retiring from the company. Mr. Christian Vogel would serve as Deputy to Mr. Wiethüchter.

AGENDA ITEM 9--ARRANGEMENTS FOR NEXT MEETING

82. Chairman H. Wiethüchter announced that the next Board of Directors meeting would be held on October 4-7, 1981, in Baden-Baden, West Germany.

AGENDA ITEM 10--ANY OTHER BUSINESS

83. The Chairman expressed the sincere thanks and appreciation of all attendees to B.A.T. for their meeting arrangements and to Philip Morris Company for its hospitality in hosting the social arrangements for the meeting.

There being no further business, the meeting was adjourned.

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